

ASSEMBLY BILL

No. 1138

Introduced by Assembly Member La Suer

February 23, 2001

An act to add Section 63025.3 to the Government Code, relating to infrastructure development, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1138, as introduced, La Suer. Infrastructure development: low-interest loans.

The existing Bergeson-Peace Infrastructure and Economic Development Bank Act establishes the California Infrastructure and Economic Development Bank within state government with a board of directors having prescribed duties. Existing law authorizes the bank board to make secured loans and undertake related activities for the purpose of financing projects, as defined, that relate to economic development and infrastructure improvements, including, but not limited to, utilities and power facilities.

This bill would authorize the bank board to make a low-interest loan to a sponsor or a participating party, as defined, for costs associated with the repowering, as defined, of existing electrical facilities or for the planning, design, construction, and startup of peak demand facilities of up to 150 megawatts. The bill would declare the intent of the Legislature to provide incentives to build new power plants in California and would require, as a condition of the low-interest loan, that the power generator give California utilities a right of first refusal to purchase any electricity produced by the facility.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: ²/₃. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares that in order
2 to encourage increased power generation in California, it would be
3 useful to provide incentives to build new powerplants in
4 California.

5 SEC. 2. Section 63025.3 is added to the Government Code to
6 read:

7 63025.3. (a) In addition to other powers set forth in this
8 division, the bank board may make a low-interest loan to a sponsor
9 or a participating party for any of the following:

10 (1) Costs associated with the repowering of any existing
11 facilities for the generation of electrical power.

12 (2) Costs associated with the planning, design, construction,
13 and startup of facilities for the generation of electrical power of up
14 to 150 megawatts that are intended to operate only during peak
15 demand periods.

16 (b) As a condition of receiving a low-interest loan, the sponsor
17 or participating party shall agree to give California utilities a right
18 of first refusal to purchase any electricity produced by the facility
19 for which the loan is made.

20 SEC. 3. This act is an urgency statute necessary for the
21 immediate preservation of the public peace, health, or safety
22 within the meaning of Article IV of the Constitution and shall go
23 into immediate effect. The facts constituting the necessity are:

24 In order to provide timely relief from rapidly increasing
25 wholesale energy costs and retail energy rates that are endangering
26 the public peace, health, and safety, it is necessary that this act take
27 effect immediately.

